

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, NOVEMBER 22, 2005**

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of November 22, 2005, was called to order by Mayor Beckman at 7:55 a.m.

Present: Council Members – Hansen, Hitchcock, Johnson, and Mayor Beckman

Absent: Council Members – Mounce

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Perrin

B. REGULAR CALENDAR

- B-1 “Review proposed wastewater capacity fee, provide direction, and set public hearing for January 4, 2006, to consider adoption of the fee”

Public Works Director Prima reported that there are currently two development fees related to wastewater: 1) in the impact fee program, there is a small fee related to expansion of facilities, primarily the wastewater share of the corporation yard, and 2) a sewer fee tied to new development based on debt service costs for work at White Slough. Staff is recommending updating and combining the two fees into one capacity fee.

Mr. Prima reviewed Table 1 (filed) of the fee calculations, prepared by the City’s consultant, that combines the debt service costs from the 1991 Certificate of Participation (COP) (which was a refinance of the 1988 COP), the 2003 and 2004 COPs, as well as the anticipated 2006 COP needed for the next phase, and interest. Components of the work that were either done or contemplated to be done relating to the financing were then allocated, which amounted to a net cost to be applied to new development (\$5,115 per two-bedroom home).

Council Member Johnson questioned if the benchmark should instead be a three-bedroom home, as not many two-bedroom homes are being built today, to which Mr. Prima responded that the fee is incremented (i.e. 25% higher for a three-bedroom home, another 20% higher for a four-bedroom home, etc.). The numbers would not change if the calculations were refigured based on a three-bedroom home.

Mr. Prima reported that there is a category of high-strength users, which include General Mills, Miller Packing, and Cottage Bakery, where either the flow or the strength of the wastewater is very high. In this update, the flow component increased quite a bit compared to the components for Biochemical Oxygen Demand (BOD) and suspended solids. The reason for that is the new tertiary, flow-based treatment process, which includes filters that treat the wastewater through a primary and secondary process where most of the BOD and suspended solids are removed. Staff is proposing to adjust the high-strength monthly service charge for flow, BOD, and suspended solids per million gallons on an annual basis. For all of the current users, this would result in a decrease.

Staff extracted data from a survey that the San Joaquin Partnership prepared on sewer fees. The city of Lathrop was removed from the table because it built a new tertiary plant that was entirely financed by developers and was not included in its fee structure. Therefore, the lowest city was Modesto, but it is operating with a secondary plant, which was a debt service cost from its expansion decades ago. It intends to make major increases in its fees. The average fee is \$6,900, which would make Lodi’s proposed fee, compared to a three-bedroom home, within the realm of what others are charging.

Council Member Johnson suggested removing the cities of Dublin, Livermore, and Pleasanton and recalculating the averages as the figures are not representative.

Mr. Prima reported that staff did not include public art in the calculation, but he believed that it should be identified either separately or as a surcharge. The concern is whether it is right to charge public art based on a project that was done in the 1980s; if those elements were removed from the equation, it would reduce the public art component from 2% to 1%.

Council Member Hansen believed that the public art component should reflect what this community is striving for and that new development should help pay for it. He would be open to including 1% for Art in Public Places, as it would build up potential funding.

Mayor Beckman expressed support for 1% toward Art in Public Places.

Council Member Johnson pointed out that the staff report stated that the 1991 improvements allocated 74% to serve new growth, the 2003 and 2004 expansions allocated 26% and 24%, respectively, and the proposed 2006 COP will allocate 58%. He questioned whether the anticipated allocation of new growth versus old growth is appropriate. Mr. Prima responded that they are different because of the nature of the work being done, a certain amount of which was for maintenance. The goal is to build a capacity to serve 8.5 million gallons a day of wastewater treatment, and the rate payers have invested money into this improvement. The consultant took all of the components of the project and allocated it to existing and new users. The figures are the weighted averages of all those individual calculations. For example, the 1991 work had a different set of existing users, which is the reason the calculation was based on 2.7 million gallons of added capacity as opposed to 2.2 million for the current projects.

Mayor Pro Tempore Hitchcock questioned if existing users would be reimbursed or if the wastewater fee would be reduced as new homes are built and the fee becomes spread out over more users. Mr. Prima responded that the calculations done as part of the 2004 COP assumed there would be an increase in the capacity fees and that there would be new users; however, if the capacity fee is not increased, the City would have insufficient funds and the rates would need to be raised in order to make up the difference. An Engineering News Record-type escalator was included in the fee structure.

NOTE: Mayor Pro Tempore Hitchcock left the meeting at 8:25 a.m.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Beckman second, set a public hearing for January 4, 2006, to consider adoption of the wastewater capacity fee. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, and Mayor Beckman

Noes: Council Members – None

Absent: Council Members – Hitchcock and Mounce

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:28 a.m.

ATTEST:

Jennifer M. Perrin  
Deputy City Clerk